

MORNING GLANCE



40,758	▼ -43	▼ -0.11%
110 mn	YTD -0.14%	1 Year -11.17%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	17,895.70	18.45	0.10% ▼
DSE 30	2,197.59	5.81	0.27% ▲
SHANGHAI	3,169.69	7.85	0.25% ▲
Hang Seng	21,699.00	262.95	1.23% ▲
Nikkei 225	26,438.50	7.5	0.03% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	7,724.98	30.49	0.40% ▲
DAX 30	14,947.91	173.31	1.17% ▲

USA	Value	Pts	Chg. (%)
DOW JONES	33,973.01	268.91	0.80% ▲
S&P 500	3,969.61	50.36	1.28% ▲
NASDAQ	11,402.53	196.74	1.76% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	1,883.85	4.95	0.26% ▲
Oil-WTI (bbl)	77.54	0.13	0.17% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	228.25	-	-
EURO/PKR	245.30	0.25	0.10% ▲
GBP/PKR	277.77	0.05	0.02% ▲
AED/PKR	62.10	-	-

Source: dps.psx.com.pk, investing.com, forex.com

Market Outlook

KSE-100 on Wednesday remained depressed for the majority part of the day and managed to close flat as investors wait for US CPI data to have cues for the hike in interest rates by SBP. The index made an intra-day high and low at 40,988 (187 points) and 40,597 (-204 points) respectively while closed at 40,758 by losing 43 points. Trading volume has decreased to 110mn shares as compared to 116mn shares on the previous trading day. Going forward, we expect the market to remain volatile amid uncertain macroeconomic conditions. The index is likely to test its support at 40,600. Breaking this level would further drag the index towards 39,800. Contrarily, the resistance for the index resides at 41,000.

Key News

International

Asia stocks hit 7-month high on China and CPI bets

Asian stock markets mostly pushed higher on Thursday, ahead of U.S. consumer price data that investors hope will confirm inflation is in retreat, while the yen rose with a report Japan will next week review the side-effects of its ultra-easy policy. Following gains for Wall Street indexes overnight, MSCI's broadest index of Asia-Pacific shares outside Japan [see more...](#)

Oil up 3% despite big U.S. crude build as bulls bet on weaker CPI, Goldman call

Oil prices defied a humongous U.S. crude build to rally 3% Wednesday as bulls in the market bet instead on weakening rate hikes from sagging inflation and a Goldman Sachs call for a barrel to return to above \$100 by the third quarter of this year. New York-traded West Texas Intermediate, or WTI, crude settled up \$2.29, or 3%, at \$77.41 per barrel, [see more...](#)

Politics

Elahi secures trust vote to PDM gov't's chagrin

In a surprise move by Pakistan Tehreek-e-Insaf (PTI) and its allies, Punjab Chief Minister (CM) Pervaiz Elahi has successfully obtained vote of confidence. Speaker Punjab Assembly Sabtain Khan announced that Chief Minister Punjab has taken 186 votes. Opposition boycott the session as their demand of the presence of their representative in the [see more...](#)

Economy

Budgetary targets: Govt to take fiscal measures set by IMF: Dar - Negative

Finance Minister Ishaq Dar said Monday that a discussion with the International Monetary Fund (IMF) in Geneva focussed on revenue shortfall and super tax in litigation, as well as, narrowing down of issues on power and gas rates. This was stated by Dar in response to a question during a press conference of Prime Minister Shehbaz Sharif on [see more...](#)

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Next two years: WEF foresees 10 major risks - **Negative**

Pakistan may face digital vulnerability and cybersecurity, rapid inflation, debt crisis, possible state collapse, interstate conflict and terrorism as top risks for the next 24 months. According to the World Economic Forum's Global Risks Report 2023, "Conflict and geo-economic tensions have triggered a series of deeply interconnected global risks. These include energy and food supply crunches, which are likely to persist for the next two years, [see more...](#)

Almost 90pc of Geneva pledges are project loans, Dar reveals - **Neutral**

Finance Minister Ishaq Dar revealed on Wednesday that almost 90 per cent of pledges made by the international community at a donors' conference in Geneva for flood-hit Pakistan were project loans that will be rolled out over the next three years. Earlier this week, the international community committed to give Pakistan a huge sum exceeding \$10bn to help it recover from last [see more...](#)

Govt raises Rs316 billion in T-bill auction - **Neutral**

The government raised Rs316 billion through an auction of the T-bills on Wednesday, against a pre-auction target of Rs650 billion and maturity of Rs685 billion, the central bank data showed. Yield on a short-duration Market Treasury Bills (T-bills) remained stable, although the market expects a further hike in interest rates at an upcoming monetary policy review scheduled for January 23. The cut-off yield on the three-year T-bill stood at 16.9999 [see more...](#)

FY 2022-23: Ogra allows SNGPL, SSGCL to raise gas prices by over 74pc - **Positive**

The Oil and Gas Regulatory Authority (Ogra) on Wednesday recommended permitting two gas companies, the Sui Northern Gas Pipelines Limited (SNGPL) and the Sui Southern Gas Company Limited (SSGCL) to raise gas prices by 74.42 percent and 75.35 percent, respectively for the financial year 2022-23. The decision has been taken on the petitions (estimated revenue [see more...](#)

IMF wants up to Rs7.50/unit power tariff raise - **Negative**

International Monetary Fund (IMF) has reportedly sought an increase in electricity tariff up to 7.50 rupees per unit across the board, to recover over Rs 700 billion from consumers as previous commitments made by the government were not met, well informed sources told Business Recorder. An increase of Rs 7.91 per unit was agreed with the Fund and World Bank for last fiscal year but it was only partially implemented till July 1, 2022. [see more...](#)

'Non-payment' of KE's outstanding amounts: Govt receives legal notice from two global groups - **Negative**

Pakistan has received legal notice from M/s Al-Jomaih Group of Saudi Arabia and the National Industrial Group of Kuwait reportedly on non-payment of outstanding amounts of Karachi Electric (KE) by using OIC platform with indication to go for arbitration, well informed sources in Petroleum Division told Business Recorder. Both Groups, sources said, [see more...](#)

KE's tariff: Nepra approves Rs7.43 per unit negative adjustment - **Positive**

The National Electric Power Regulatory Authority (Nepra) has approved negative adjustment of Rs 7.43 per unit in KE's tariff and Rs 0.19 per unit positive adjustment in Discos tariffs for the month of November 2022 under monthly Fuel Charges Adjustment (FCA) mechanism. The Authority conducted a public hearing on December 27, 2022, wherein [see more...](#)

Car sales plunge 44pc in December on import curbs - **Negative**

Passenger car sales plunged 44 percent in December from a year earlier, industry data showed on Wednesday, a sign that import bottlenecks continued to weigh on the country's fragile consumption. The passenger car sales dropped to 13,768 units in December 2022, against 24,471 units recorded in December 2021, as per data released by Pakistan [see more...](#)

ECC allows to fix DTP of 50kg imported urea at Rs 2340 per bag - **Positive**

The Economic Coordination Committee (ECC) of the Cabinet Wednesday considered and approved a summary of the Ministry of Industries and Production on revision of the price of imported urea and allowed to fix the Dealer Transfer Price (DTP) of 50 kg imported urea bag at Rs 2340 per bag by National Fertilizer Marketing Limited (NFML). The ECC [see more...](#)

Acute shortage of medicines on the cards - **Negative**

An acute medicine shortage is looming in the country as the pharma industry is facing serious problems in the opening of letters of credit (LCs) owing to dollar shortage in the country, industry officials said. Talking to Business Recorder here on Wednesday, they said that the commercial banks are only clearing LCs for the clients booked orders earlier for the import of raw materials used for producing various [see more...](#)

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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	JPB	Justified Price to Book

VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Stock Rating	Expected Total Return	Sector Rating	Sector Outlook
BUY	Greater than 15%	Overweight	Positive
HOLD	Between -5% to 15%	Market Weight	Neutral
SELL	Less than and equal to -5%	Underweight	Negative

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